

reversed by any known natural phenomenon. We cannot forecast how long it will be before most of the finite supply of habitat that is available for nesting by tundra and coastal-breeding birds will be permanently degraded or destroyed."

On November 9, 1998, the U.S. Fish and Wildlife Service issued two proposed rules to reduce the ever-expanding population of light geese. These rules did not embrace all of the recommendations of the Arctic Goose Habitat Working Group. In fact, they were a modest effort to increase the harvest of light geese by authorizing the use of electronic goose calls, unplugged shotguns, and allowing certain States to authorize hunting outside of the traditional hunting season which normally runs from September 1st to March 10th. At the time, the Director of the U.S. Fish and Wildlife Service stated "Too many light geese are descending each year on nesting areas that simply cannot support them all. If we do not take steps now, these fragile ecosystems will continue to deteriorate to the point that they can no longer support light geese or the many other species of wildlife that share this Arctic habitat. The steps proposed by the U.S. Fish and Wildlife Service are strongly supported by the Canadian Wildlife Service."

After issuing these proposed regulations, the Service received over 1,100 comments from diverse interests representing State wildlife agencies, Flyway Councils, private and native organizations, and private citizens. A majority of the comments strongly supported the proposed actions by the U.S. Fish and Wildlife Service, which has conducted a thorough environmental assessment of the various regulatory options to reduce the population.

On April 15, 1999, the Subcommittee on Fisheries Conservation, Wildlife and Oceans, which I chair, conducted its second oversight hearing on Mid-Continent light geese. At that hearing, the U.S. Fish and Wildlife Service testified that "virtually every credible wildlife biologist in both countries, believes that the Mid-Continent light geese populations has exceeded the carrying capacity of its breeding habitat and that the population must be reduced to avoid long-term damage to an ecosystem important to many other wildlife species in addition to snow geese."

In addition, a representative of the National Audubon Society testified that "these burgeoning numbers of Mid-Continent lesser snow geese have caused widespread and potentially irreversible devastation to two-thirds of the habitat that otherwise would be mostly pristine tundra west of Hudson Bay in Canada. If we do not act, nature will not 'take its course' in the short time needed to halt devastation of the tundra."

Finally, the Chairman of the Arctic Goose Habitat Working Group, who is also the Chief Biologist of Ducks Unlimited, stated that "the finite amount of suitable goose breeding habitat is rapidly being consumed and eventually will be lost. Every technical, administrative, legal and political delay just adds to the problem. There is real urgency here as we may not be far from the point where the only choice is to record the aftermath of the crash of goose numbers with the related ecosystem destruction with all the other species that live there with the geese."

At the same hearing, the Humane Society of the United States argued that a "do nothing" approach to the management of light geese was the preferred option. While the easy answer might be to let nature run its course, after all some have argued this is a Canadian problem, to sit idly by and allow this environmental catastrophe to continue to occur is simply irresponsible. Furthermore, man created this problem by providing these geese with an almost endless supply of food. In Arkansas, Louisiana, and Texas alone, there are more than 2.25 million acres of rice farms that have become a buffet bar for these birds. As a nation, we have also created dozens of National Wildlife Refuges that have become sanctuaries for these birds. As a result, these geese are living longer, are healthier, and are reproducing at an alarming rate. We have already altered the course of nature and that is why the U.S. Fish and Wildlife Service, the Canadian Wildlife Service, the International Association of Fish and Wildlife Agencies, the Flyway Councils, and almost every well-known wildlife biologist has flatly rejected to "do nothing" approach. It is wrong and it will cause irreparable harm to the Arctic tundra habitat.

I want to personally commend the Director of the U.S. Fish and Wildlife Service, Ms. Jamie Clark, for her tireless leadership and courage on this difficult issue. The Service went to extraordinary lengths to carefully evaluate each of the various management options, obtain the views of each of the affected stakeholders, and to do what was best for the species and its habitat. The regulations it issued were a responsible step in the right direction and they were fully consistent with the recommendation of the Arctic Goose Habitat Working Group.

Sadly, in response to a legal challenge filed in U.S. District Court by the Humane Society of the United States, the U.S. Fish and Wildlife Service withdrew these two regulations on June 17th. While the judge did not rule on the merits of the regulations, the Service was instructed to complete an environmental impact statement. This process will take between 12 and 18 months to complete and during that time, the tundra will continue to be systematically destroyed an acre at a time. This is an unacceptable situation.

Since I refuse to simply do nothing, I am today introducing the Arctic Tundra Habitat Emergency Conservation Act. This is a simple bill. It will legislatively enact the two regulations, already carefully evaluated and approved by the U.S. Fish and Wildlife Service. What this means is that States would have the flexibility to allow the use of normally prohibited electronic goose calls and unplugged shotguns during the regular hunting season provided that other waterfowl and crane seasons have been closed. In addition, the 24 affected States are given the authority to implement conservation orders under the Migratory Bird Treaty Act that would allow hunters to take Mid-Continent light geese outside of the traditional hunting framework. Both of these rules will give States a better opportunity to increase their light goose harvest.

My bill legislatively enacts these regulations in their identical form. In addition, the bill sunsets when the Service has completed both its environmental impact statement and a new

regulatory rule on Mid-Continent light geese. This rule could be the same of different from those originally proposed in November of last year. My bill is an interim solution to a very serious and growing environmental problem.

As Director Clark so eloquently state, "For years, the United States has inadvertently contributed to the growth of this problem through changes in agricultural and wetland management. Now we can begin to say we are part of the solution. If we do not take action, we risk not only the health of the Arctic breeding grounds but also the future of many of America's migratory bird populations."

I wholeheartedly agree with that statement and urge my colleagues to join with me in trying to stop this environmental catastrophe by supporting the Arctic Tundra Habitat Emergency Conservation Act.

I am pleased that a number of our distinguished colleagues, including DON YOUNG, JOHN DINGELL, SAXBY CHAMBLISS, COLLIN PETERSON, CHIP PICKERING, DUNCAN HUNTER, DUKE CUNNINGHAM, and JOHN TANNER have agreed to join with me in this effort.

VA/DOD LEGISLATION INTRODUCED: USING ACCURACY TO ADJUST THE GEOGRAPHIC INEQUITY IN THE AAPCC

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. McDERMOTT. Mr. Speaker, today I am introducing legislation to use accuracy as one way to address the geographic inequity of Medicare's adjusted average per capita cost (AAPCC) rate by ensuring that Medicare-eligible veterans are calculated in AAPCC updates.

Until BBA 97, AAPCC rates were determined based on five year's worth of historical per-capita Medicare fee-for-service spending. Medicare AAPCC rates also included provisions for medical education payments and Medicare disproportionate share payments.

BBA 97 de-linked AAPCC updates from local FFS spending and set a minimum 1998 AAPCC "floor" rate of \$367. It also made a number of changes to guarantee minimum annual rate increases of 2%. BAA 97 also carved out the medical education component from the AAPCC over 5 years. Unfortunately, these changes do not address the fundamental inequity in the AAPCC calculations that Washington faces.

The trouble with the AAPCC methodology is that it punishes cost-efficient communities with low AAPCC increases while higher-priced inefficient markets receive increases well above average. In 1997, WA state health plans had an average payment rate increase of 3.8% while the national per capita cost rate increase was 5.9% Counties in other state across the nation had increases as high as 8.9%.

Currently every Washington State County AAPCC is below the national average.

USE ACCURACY AS A PARTIAL FIX

A simplified explanation of the new AAPCC calculation is that all fee-for-service costs in a given county are divided by all Medicare beneficiaries in that county to derive the payment rate.

Medicare beneficiaries who are eligible for both Medicare and military Medicare coverage sometimes receive care at military (VA & DoD) facilities. With the creation Medicare Subvention Demonstration sights, this will occur more often.

The computation of the AAPCC includes all Medicare beneficiaries in the denominator. However, since the facilities providing care to military eligible beneficiaries do not report Medicare costs to HCFA, the numerator of the AAPCC excludes any costs Medicare beneficiaries received in these facilities. This results in an understatement of the AAPCC wherever there are military health care facilities. States or counties with a significant military medical presence receive disproportionately low rates due to this methodology lapse.

While the national average military AAPCC understatement is 3%, in King County it is 4.3% and Pierce County it's 22.6%.

My legislation will revise the methodology to include both the Medicare beneficiaries and the costs for all their Medicare services—including those received in fee-for-service and at military facilities—in the AAPCC calculations.

Using accuracy as a means to boost AAPCC rates is both a policy-justified and a politically defensible way to begin addressing the geographic inequity in the Medicare system.

TRIBUTE TO LINDA MITCHELL

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BECERRA. Mr. Speaker, I rise today to pay a heartfelt tribute to Linda Mitchell, a dear friend and tireless fighter for justice and equality. Linda died Tuesday, June 22, 1999 at her home in Pasadena, California. She was 52.

Linda Mitchell was born and raised in the State of Ohio. The third of five children, she received her Bachelor of Science Degree in Home Economics from Ohio State University. After completing her education, she moved to California, first living in San Diego and then in Los Angeles.

Linda was an individual with deep compassion and conviction. She used every bit of her energy and time to fight for the rights of all people, regardless of race, creed, or economic circumstances. She was respected and admired for her work on behalf of those less fortunate, in particular immigrants to the United States of America.

She always employed her expertise in public relations and communications to champion the causes of others. Linda chose her avenues of involvement carefully, working for many of the nation's most worthy organizations, including the Mexican American Legal Defense and Education Fund, United Way of Greater Los Angeles, Coalition for Humane Immigrant Rights of Los Angeles, Dolores Mission Women's Cooperative, and the International Institute. In her quest for justice, she served as a Board Member for the American Civil Liberties Union. Understanding the importance of the press in this country, she was a

member of Fairness and Accuracy in Reporting.

Though small in size, Linda Mitchell was big of heart. When she walked into a room, you might not see her right away, but you could feel her presence because she exuded warmth and love for her fellow human being. She helped set up parenting classes for refugees from the former Soviet Union and a support center for Alzheimer's disease victims and their families.

With health a constant challenge, Linda never let physical limitations prevent her from doing anything. She traveled beyond her hemisphere to Europe and to China. She wanted to learn as much as possible about the world so she could change it.

I have never met a person more grounded on the value of human dignity nor more dedicated to promoting its survival. Linda always had a way of extracting that extra effort from me to maximize my service to the public. She has been a partner in work, a counsel in policy and a model in ethics.

Linda is remembered by friends and colleagues for her selflessness, generosity, and integrity—a woman who was dedicated to the pursuit of justice and equality. She is also remembered for her love of children, her wonderful cats, and her scrumptious desserts.

A Memorial Service will be held on Thursday, July 1, 1999 at 3:00 p.m. at the Throop Unitarian Universalist Church in Pasadena, California. There will also be a Memorial Service in Marion, Ohio where Linda will be buried on July 10, 1999.

Linda is survived by her father and mother, Ted and Elaine Mitchell; two sisters Judy LaMusga and Karen Mitchell; one brother Alan Mitchell; two nieces Cindy and Katie Mitchell; and two nephews Rob and Michael Mitchell. Her brother Bob Mitchell is deceased.

Mr. Speaker, Linda Mitchell left us too soon, with so much to do and so much to teach. She epitomized all that is good about America. I feel deeply privileged to have known her. I will forever remember her fondly. It is with great pride, yet profound sorrow, that I ask my colleagues to join me today in saluting this exceptional human being.

INTEREST ALLOCATION REFORM ACT

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. PORTMAN. Mr. Speaker, on June 17, 1999, joined by Mr. MATSUI of California, I introduced H.R. 2270, a bill to correct a fundamental distortion in the U.S. tax law that results in double taxation of U.S. taxpayers that have operations abroad.

The United States taxes U.S. persons on their worldwide income, but allows a foreign tax credit against the U.S. tax on foreign-source income. The foreign tax credit limitation applies so that foreign tax credits may be used to offset only the U.S. tax on foreign-source income and not the U.S. tax on U.S.-source income. In order to compute the foreign tax credit limitation, the taxpayer must

determine its taxable income from foreign sources. This determination requires the allocation of deductions between U.S.-source gross income and foreign-source gross income.

Special rules enacted as part of the Tax Reform Act of 1986 apply for purposes of the allocation of interest expense. These rules generally require that interest expense incurred by the U.S. members of an affiliated group of corporations must be allocated based on the aggregate of all the U.S. and foreign assets of the U.S. members of the group.

The interest allocation rules purport to reflect a principle of fungibility of money, with interest expense treated as attributable to all the activities and property of the U.S. members of a group regardless of the specific purpose for which the debt is incurred. However, the present-law rules enacted with the 1986 Act do not accurately reflect the fungibility principle because they apply fungibility only in one direction. Accordingly, the interest expense incurred by the U.S. members of an affiliated group is treated as funding all the activities and assets of such group, including the activities and assets of the foreign members of the group. However, in this calculation, the interest expense actually incurred by the foreign members of the group is ignored and thus is not recognized as funding either their own activities and assets or any of the activities and assets of other group members. This "one-way-street" approach to fungibility is a gross economic distortion.

By disregarding the interest expense of the foreign members of a group, the approach reflected in the present-law interest allocation rules causes a disproportionate amount of U.S. interest expense to be allocated to the foreign assets of the group. This over-allocation of U.S. interest expense to foreign assets has the effect of reducing the amount of the group's income that is treated as foreign-source income for U.S. tax purposes, which in turn reduces the group's foreign tax credit limitation. The present-law interest allocation rules thus prevent the group from fully utilizing its available foreign tax credits, and lead to double taxation of the foreign income earned by the U.S. multinational group.

This double taxation of the income that U.S. multinational corporations earn abroad is contrary to fundamental principles of international taxation and imposes on U.S. multinational corporations a significant cost that is not borne by their foreign competitors. The present-law interest allocation rules thus impose a burden on U.S.-based multinationals that hinders their ability to compete against their foreign counterparts. Indeed, the distortions caused by the interest allocation rules impose a substantial cost that affects the ability of U.S.-based multinationals to compete against their foreign counterparts both with respect to foreign operations and with respect to their operations in the United States.

H.R. 2270 will reform the interest allocation rules to eliminate the distortions caused by the present-law approach. The elimination of these distortions will reflect the fundamental tax policy goal of avoiding double taxation and will eliminate the competitive disadvantage at which the present-law interest allocation rules place U.S.-based multinationals. A detailed